

Congress of the United States
Washington, DC 20515

December 08, 2017

The Honorable Kevin Brady
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Orrin Hatch
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Brady and Chairman Hatch:

Thank you for your leadership in advancing comprehensive tax reform through both chambers of Congress. As the conference committee begins to negotiate the differences between the two bills, we respectfully request the conference report maintain the education tax provisions outlined in this letter. Thank you in advance for your consideration of our views.

Qualified Tuition Reductions

26 U.S.C. §117(d) enables colleges and universities to discount tuition for their employees and families for undergraduate education with the discount excluded from taxable income. This provision benefits a range of employees including administrative, maintenance and janitorial staff. The vast majority of individuals who benefit from these reductions are middle-to-low income. In fact, 50 percent earned less than \$50,000 and 78 percent earned less than \$75,000. For some middle-income families, the tax exempt tuition reduction is the determining factor in their children's ability to pursue higher education at all. Given all the benefits to the economy of having a college degree, we should not disincentivize any individual from pursuing higher education by increasing their tax burden.

26 U.S.C. §117(d)(5) enables colleges and universities to reduce tuition for graduate students who are serving as teaching and research assistants as part of their academic training without the reduction in tuition counting as taxable income for students. According to the U.S. Department of Education, 145,000 graduate students received tuition reductions and 57 percent of those are enrolled in science, technology, engineering and math (STEM) fields. Graduate students are vital to our nation's scientific research enterprise. Ultimately, these students become the scientists and engineers that employers need to propel our economy forward. With countries such as China investing heavily in advanced technologies and developing an innovative workforce, we must continue encourage the pursuit of graduate degrees and without unworkable increases to students' tax obligations.

Student Loan Interest Deduction

26 U.S.C. § 221 allows individuals to deduct from their taxable income an amount equal to the interest paid during the taxable year on a qualified education loan. Individuals who earn a bachelor's degree on average have higher incomes than high school graduates, are considerably

less reliant on government services, less likely to be imprisoned and pay more in taxes than they use in government services over their lifetime. Knowing these benefits, the tax code should seek to incentivize individuals to pursue higher education. The student loan interest deduction helps make higher education more affordable and based on the most recent yearly data available, 12 million taxpayers benefited from the deduction. Eliminating this deduction adds to the debt burden and could increase the cost to borrowers by roughly \$24 billion, ultimately making it more difficult to attend and finance their education.

Lifetime Learning Credit

26 U.S.C. §25A(c) allows an individual a credit against the tax imposed in an amount equal to 20 percent of the qualified tuition and related expenses paid during a taxable year, not to exceed \$10,000. The Lifetime Learning Credit is currently one of the three education tax credits available to taxpayers. Non-traditional students are the fastest growing segment of students in higher education. While an expanded American Opportunity Tax Credit is likely to benefit some students, it is unlikely to benefit graduate students, part-time students and lifelong learners who are seeking retraining. With advances in technology rapidly changing the economy and the workplace, we should maintain policies that encourage individuals to get the education they need to be competitive in the job markets of tomorrow.

Again, thank you for your consideration of our views and your leadership in advancing comprehensive tax reform. We look forward to your response and continuing to work with you.

Sincerely,



Glenn 'GT' Thompson
Member of Congress (PA-5)



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Member of Congress (VA-10)



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Member of Congress (WV-01)



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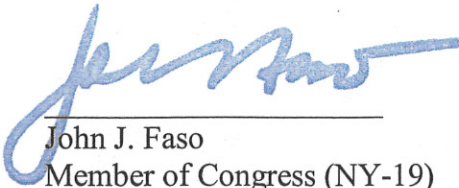
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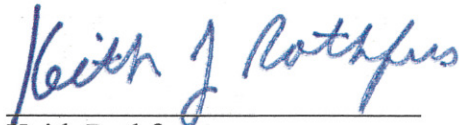
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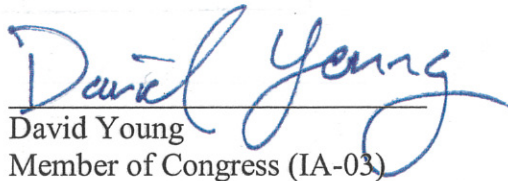
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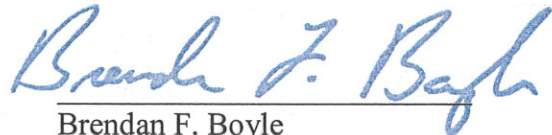
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Brendan F. Boyle
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Cc: Tax Conference Committee conferees